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The Mineral Industry of Other Central African Countries

UNITED STATES DEPARTMENT OF THE INTERIOR

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The Mineral Industry of Other Central African Countries

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CONTENTS

	Page		Page
Cameroon	1	Congo	3
Central African Republic	3	Equatorial Guinea	4
Chad	3	São Tomé e Principe	4

CAMEROON

Economic growth in Cameroon was restricted during 1987 owing to a decrease in oil prices during 1986 and the falling value of the U.S. dollar in 1987. The yearly budget reflected a significant drop in revenues and expenditures. Taxes on imports and some exports were increased to raise revenue. The shortage of revenue and the lack of liquidity had restricted the Government's operation and investment programs. External public debt reached an estimated $3.2 billion[2] representing 20.3% of the estimated gross domestic product (GDP) of $12.3 billion. The Government operated at an 8.7% deficit in 1987. The GDP growth rate had fallen to 0.6% in 1987 and was projected to remain at that level in 1988. Economic planning was managed through a series of 5-year plans. The country was under the sixth 5-year plan, which would end in 1991. The plan stressed balanced development as one method to achieve the desired results. Sources of revenue for the year included direct and allied taxes (31.2%), customs collections (31.0%), and oil royalties (23.0%). The oil royalties in 1987 represented a larger part of the budget than in 1986.

In January 1987, eight African oil exporting countries, including Cameroon, formed the African Petroleum Producers' Association (APPA). The eight countries represented about 80% of the total African oil production of 5.2 million barrels per day in 1987. Cameroon produced approximately 3% of total APPA oil production. Cameroon produced approximately 63.5 million barrels of crude oil in 1987, slightly less than that produced in 1986. Earnings also fell in 1987, not only from falling production, but also from declining oil prices and the fall in value of the U.S. dollar on world markets. Oil had been the main stimulus of Cameroon's growth throughout the past decade, and a key generator of export revenues and financial resources for the economy.

Cameroon's remaining recoverable oil reserves at yearend 1987 stood at 352 million barrels. Failing new discoveries, the country could lose its status as an oil producer by the mid-1990's.

Substantial quantities of natural gas have been discovered in Cameroon but not exploited owing to lack of demand and low world prices. Plans for a multibillion dollar liquefied natural gas plant near Kribi in southwestern Cameroon have been shelved

temporarily. Major international oil companies that have been involved in Cameroon's offshore petroleum exploration and development efforts included Shell Oil Co., Mobil Oil Co., and Société Nationale Elf Aquitaine. Cameroon's oil refinery, with a capacity of 2 million tons of crude oil per year, commenced operations in 1981 and supplied the domestic market for refinery products other than asphalt, lubricants, and specialty products.

Other minerals have been discovered in Cameroon in past years, but most have never been exploited. Among those were bauxite, diamond, iron ore, kyanite, and nickel. Cameroon produced cement, gold, limestone, marble, pozzolana, sand, and tin ore. A new lightweight gold dredging unit, developed by the Bureau de Recherches Géologiques et Minières in France, had been put into operation on the Lom River in Cameroon. The aluminum smelter at Edea, supplied with Guinean alumina, produced an estimated 72,431 tons of aluminum in 1987. An estimated 734,000 tons of cement was produced at its Bonfaberi and Figiul plants in 1987. All materials to make the cement were produced locally.

Table 1.—Other countries of Central Africa: Production of mineral commodities[1]

Country[2] and commodity[3]	1983	1984	1985	1986[p]	1987[e]
CAMEROON					
Aluminum metal, primary ---- metric tons	77,400	73,100	90,296	83,810	72,400
Cement, hydraulic[4] ---- do.	610,000	NA	748,858	783,368	734,000
Gold, mine output, Au content ---- troy ounces	261	e250	249	246	250
Petroleum, crude[5] ---- thousand 42-gallon barrels	42,000	56,000	49,000	53,000	63,500
Pozzolana ---- metric tons	NA	NA	105,634	168,425	170,000
Stone:					
Limestone ---- do.	50,675	NA	96,961	78,260	80,000
Marble ---- do.	NA	251,600	1,432	331	300
Tin ore and concentrate:					
Gross weight ---- do.	NA	14	13	NA	12
Sn content[e] ---- do.	NA	10	10	NA	9
CENTRAL AFRICAN REPUBLIC					
Diamond:					
Gem ---- carats	229,681	235,589	189,545	258,701	e308,769
Industrial stones ---- do.	65,677	101,562	87,452	98,677	e106,455
Total ---- do.	295,358	337,151	276,997	357,378	e412,224
Gold ---- troy ounces	2,432	6,968	6,083	7,041	e6,605
CONGO					
Cement, hydraulic ---- metric tons	r28,423	r e45,000	57,700	e58,000	e e38,449
Copper, mine output, Cu content ---- do.	35	r e135	253	e250	e726
Gas, natural:					
Gross[e] ---- million cubic feet	13,000	13,000	13,000	13,000	13,000
Marketed[e] ---- do.	350	350	350	350	350
Gold, mine output, Au content[e] ---- troy ounces	287	101	515	r168	150
Lead, mine output, Pb content ---- metric tons	4,000	1,740	1,480	e1,400	1,400
Lime ---- do.	---	7,061	e7,000	e7,000	7,000
Petroleum, crude ---- thousand 42-gallon barrels	40,271	44,911	43,564	43,435	e43,800
Zinc, mine output, Zn content[e] ---- metric tons	3,000	2,780	2,336	2,300	2,300

[e]Estimated. [p]Preliminary. [r]Revised. NA Not available.

[1]Includes data available through July 8, 1988.

[2]In addition to the countries listed, Equatorial Guinea and São Tomé e Príncipe, covered textually in this chapter, presumably produce modest quantities of a variety of crude construction materials (clays, sand and gravel, and stone) and may produce minor amounts of other mineral commodities (most notably gypsum, lime, and salt), but output is not reported quantitatively, and available information is inadequate to make reliable estimates of output levels.

[3]In addition to the commodities listed, modest quantities of unlisted varieties of crude construction materials (clays, sand and gravel, and stone) presumably are produced, but output is not reported quantitatively, and available information is inadequate to make reliable estimates of output levels.

[4]Includes imported clinker.

[5]Reported figure.

[6]Production includes July-Dec. 1987 only.

CENTRAL AFRICAN REPUBLIC

The Central African Republic (CAR) has made slow progress toward economic development since its independence from France in 1961. Despite recent progress toward economic reform, the CAR remained one of the world's poorest countries. The country's annual per capita income was $337 in 1987. During September 1987, France gave the CAR $15.5 million in financial aid.

The CAR was essentially an agrarian economy; agriculture accounted for 40% of the gross national product (GNP). Mining, manufacturing, and construction, accounted for approximately 15% of the GNP. Economic reforms have been ongoing for 2 years, since political reform began. In keeping with free market policies of the new economic reform program, import and price controls were lifted in 1986 and 1987. A new liberal investment code was expected to go into effect early in 1988. The CAR participated in the monetary union of Francophone Africa, which guaranteed it a fully convertible currency (50 Communauté Financiere Africaine (CFA)=1 French franc). The economy was supported by loans from the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank) as well as many loans and grants from other countries. The CAR's financial liquidity problems were so monumental that roughly only 11% of national liquidity remained available to the economy after governmental expenditures and debt services were paid.

Although satellite resource surveys indicated the presence of other minerals, the mining industry in the CAR was dominated by diamond mining. Production of diamonds for legal exporting markets increased after five separate export tax reductions on diamonds. The quantity and quality of diamonds exported since the export tax was lowered to 5% in 1987 have improved considerably. An alluvial diamond mining operation was scheduled to commence production in March 1988. The new company, African Star Mining S.A., a subsidiary of the O'Hair Agency (United States) had mining sites 45 kilometers south of Carnot, which is 540 kilometers west of the capital at Bangui. The mining company had two permits covering 200 square kilometers. The mining operation was scheduled to be completely mechanized, where in prior mining it was worked manually by artisan miners.

CHAD

The production of minerals, which was never large by world standards, ceased to exist after 1980. The Chadian Government and its populace have been involved in internal strife and external intervention since 1965. Natron, a hydrous sodium carbonate, was produced in 1980 as a form of salt that was used domestically. The mining site was near Bol in the Lake Chad area.

Following military victories over Libya in 1987, all military action had apparently ceased and for the first time since 1965 peace had come to Chad. The Chadian Government by the end of 1987 controlled all of Chad except for the disputed Aozou Strip that the Libyans have held since 1973.

Chad was not a petroleum producer in 1987, even though earlier exploration reports indicated a small reserve of oil in the Lake Chad area. If exploited, these reserves were believed to be sufficient to meet domestic needs. Chad's entire annual consumption of petroleum products had been estimated to be less than 24 million gallons. The expense of producing oil for domestic uses, coupled with the cost of building a refinery to process the crude oil, may make the refinery building program financially unfeasible in the near future.

CONGO

The economy of the People's Republic of the Congo in 1987 continued to deteriorate further than that of 1986. The decline was blamed on falling oil prices, depreciation of the dollar, and the country's burdensome debt service. After slashing the 1986 budget by 40%, the 1987 budget had to be reduced by an additional 22%. Deficits remained a problem throughout the year. Economic activity outside the petroleum sector continued to stagnate or decline. Prior to 1987, most of the industrial sector was operated

by parastatals that had become inefficient and indebted. In 1987, the Government opened up several parastatals for privatization. Several others were abolished.

The Congolese economy remained heavily dependent on trade, with petroleum accounting for over 90% of all exports. The United States was the major importer of Congolese oil during 1987. Two U.S. petroleum companies, Amoco Oil Co. and Continental Oil Co., were engaged in exploration during 1987 in the Congo. Elf-Congo Oil Co. and Azienda Generali Italiana Petroli S.p.A., brought in the Tchibouela Field in December 1987. This was the Congo's fifth oilfield discovered and brought into production. Congo, Africa's fifth largest oil producing country, produced 43.8 million barrels of oil in 1987, slightly more than in 1986. Hydro-Congo, the state petroleum company, opened additional acreage for bidding during late 1987, including the onshore Kayes area. Congo's probable oil reserves amounted to 6 billion barrels.

In January 1987, Congo, along with seven other African oil exporting countries, formed the APPA. Congo produced approximately 3% of the total APPA oil production.

Although the nonfuel minerals sector offered considerable potential, it remained largely unexploited. Recent metals production had been limited to one lead-zinc-copper mine at M'Fouati, owned by Société Minière de Mapassa, a state-owned company. In addition, scattered artisanal production of gold was reported. The Congo possessed approximately 1 billion tons of iron ore resources in the High Ivingo area. A joint venture with Gabon had been discussed concerning the exploitation of these deposits. The current glutted international markets and the scarcity of capital made development of these reserves uneconomical. A study by the United Nations had identified offshore phosphate deposits with reserves estimated at 4.5 million tons.

A cement plant that commenced operation in 1985 and closed in 1986 was reopened again in July 1987. The plant was the Congo's only cement producer. A 50% interest in the plant had been purchased for $3.1 million by an international cement company that was jointly owned by Norway's Aker Norcem and Sweden's Euroc. The Congolese cement company was named Socico and had a production capacity of 300,000 tons per year.

EQUATORIAL GUINEA

Equatorial Guinea continued to have economic problems in 1987. Total official debt rose by approximately 12% from 1982 to 1985, with most of the debt accrued by the Government since 1980.

Spain has loaned the Government $5.56 million to be used in refinancing the Guinextebank. The bank's debt amounted to the full amount of the loan. The Banco Exterior de España has held 50% of the share of the Equatorial Guinea Bank. The Government transferred the proceeds of the loan to the bank under the same low-interest, long-term repayment schedule that was negotiated with Spain.

Petroleum exploration has been planned for 1988. Seismic work and drilling operations were planned. The 2,230-square-kilometer Rio Muni permit was shared by Elf Aquitaine Equatorial Guinea (France), Azienda Generali Italiana Petroli S.p.A. Africa Ltd. (Italy), Britoil Co. Ltd. (United Kingdom), Murphy Equatorial Guinea Oil Co. (United States), Rimrock Offshore Ltd. (United States), and Ultramar Exploration Co. Ltd. (United Kingdom).

SAO TOME E PRINCIPE

São Tomé e Principe are two small islands 82 miles apart in the Gulf of Guinea. The total land area of both islands is 370 square miles. They have a population of approximately 114,000 with an average annual growth rate of 2.89%. The labor force totaled approximately 21,000 workers, mostly involved in subsistance farming and fishing. The only mining operations were small clay and stone open pit mines for local construction purposes.

The Organization of Petroleum Exporting Countries fund for international development loaned the Government $1 million for balance of payments support. The loan was for 8 years and was the sixth such loan to São Tomé e Principe. Four of the six loans have been for the same reason. An unsuccessful coup attempt was reported on March 8, 1987.

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[1]Physical scientist, Division of International Minerals.
[2]Where necessary, values have been converted from Communauté Financiere Africaine francs (CFAF) to U.S. dollars at the rate of CFAF300.0=US$1.00.

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